

Hearing Date & Time: February 1, 2011 at 11:00 a.m. (Eastern Time)
Objection Deadline: January 31, 2011 at 4:00 p.m. (Eastern Time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re)	Chapter 11
TRONOX INCORPORATED, <i>et al.</i> ,)	Case No. 09-10156 (ALG)
Debtors.)	Jointly Administered
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TRONOX INCORPORATED, TRONOX)	
WORLDWIDE LLC f/k/a Kerr-McGee)	
Chemical Worldwide LLC, and TRONOX)	
LLC f/k/a Kerr-McGee Chemical LLC,)	
Plaintiffs,)	
v.)	Adversary Proceeding No. 09-01198 (ALG)
ANADARKO PETROLEUM)	
CORPORATION and KERR-MCGEE)	
CORPORATION,)	
Defendants.)	
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THE UNITED STATES OF AMERICA,)	
Plaintiff- Intervenor,)	
v.)	
TRONOX, INC., TRONOX WORLDWIDE)	
LLC, TRONOX LLC, KERR-MCGEE)	
CORPORATION and ANADARKO)	

PETROLEUM CORPORATION,)
)
Defendants.)
)

)

**PLAINTIFFS' MOTION TO EXTEND
ALL DEADLINES IN THE CASE MANAGEMENT ORDER**

Plaintiffs Tronox Incorporated, Tronox Worldwide LLC, and Tronox LLC respectfully request a 12-week extension of all deadlines in the current case management order to allow the parties sufficient time to complete fact discovery. For the reasons set forth below, good cause exists for the short extension and Plaintiffs' motion should be granted.

From the start, the discovery schedule in this adversary proceeding has been aggressive in order to minimize expense and delay. The current schedule calls for the completion of all document discovery and fact depositions by March 15, 2011. Because fact depositions began in June 2010, this schedule provided for less than 10 months to complete fact depositions—a daunting task in a case involving more than 10 million pages of documents, as many as 66 fact depositions (mostly of witnesses outside the subpoena power of the Court), complex privilege issues, broad discovery of the United States, numerous third-party subpoenas, and extensive third party discovery. In addition, fact discovery overlapped with Tronox's substantial efforts to develop and obtain confirmation of a plan of reorganization.

Still, the aggressive schedule had its intended effect. Over the last several months, the government has produced hundreds of thousands of pages of documents and the finish line is in sight. The parties also have made substantial progress on discovery, completing approximately 30 depositions to date. Many of these depositions lasted for two or three days because they were of former senior executives of Kerr-McGee or Tronox that both parties noticed. Moreover, Plaintiffs and Defendants have resolved numerous complex privilege issues related to the period

prior to the completion of the spin-off in March 2006. With very few exceptions, all of this has been accomplished cooperatively and with minimal involvement from the Court.

Despite this progress, the parties are not as far along as they would like to be.¹ In addition to normal delays in discovery that are typical in a case of this size, counsel for Plaintiffs and the government have spent significant time on restructuring-related issues over the past several months to ensure that Tronox could emerge from chapter 11 as quickly as possible and well positioned to compete on a level playing field with other titanium dioxide producers. As a result, much remains to be done in the adversary proceeding before the current March 15, 2011 discovery cutoff. While both Plaintiffs and Defendants are in the process of reviewing the evidence amassed to date to ensure that future depositions are in fact necessary, the deposition protocol allows the parties to collectively take another approximately 35 depositions. The majority of the remaining deponents are third parties, which creates additional scheduling challenges.

One of the remaining depositions is Defendants' Rule 30(b)(6) deposition of the United States. Defendants' proposed notice for this deposition includes 31 separate topics, including one that requests the "basis for the claim for all estimated past and future expenditures" for each of the hundreds of sites covered by the United States' proof of claim. While initial discussions to try to narrow these topics have occurred, Defendants contend they cannot provide further clarity until after they review the United States' document production. Once narrowed, the United States needs to locate and prepare witnesses to address the narrowed topics, which will likely include individuals from numerous regions of the U.S. EPA that are located across the country. After Defendants' deposition of the United States concludes, Plaintiffs' environmental expert

¹ Defendants also recently acknowledged that completing fact discovery under the current schedule would be difficult. 12/22/2010 H'rg Tr. at 49:10-12 ("We have two and a half short months to complete that [fact discovery]. It's going to be a challenge.").

needs time to review the testimony before finalizing his report. The process makes sense. It is just going to take slightly longer than the current schedule allows.

In addition to depositions, Plaintiffs and Defendants are still working through privilege-related issues. As a result of agreements reached during extensive meet and confers, additional documents are still being produced that were previously withheld as privileged. While privilege disputes have been largely resolved with respect to documents dated before the completion of the spin-off, the parties are just beginning the process with respect to post-spin documents. Moreover, Plaintiffs are transitioning their claims to the litigation trust over the next week and a litigation trustee will be appointed shortly. While Plaintiffs and the government are committed to keeping the adversary proceeding moving efficiently, they will need to devote some time on transition-related issues over the coming weeks.

The 12-week extension of all deadlines in the case management order should not prejudice any party. In fact, Defendants have recently sought draconian sanctions as a result of prejudice they claim from delays in the United States' document production. *See* 12/22/2010 H'rg Tr. at 16:14-17:12 (asking for sanctions against the government because “[t]he challenge that my client is facing is we're being asked to defend against a claim for which we do not have the underlying factual information that we need to defend against those claims.”). This short extension should alleviate any remaining prejudice perceived by Defendants as a result of the United States' document production.²

² On Thursday, January 20, Plaintiffs' counsel informed Defendants' counsel that Plaintiffs intended to seek a 12-week extension of all deadlines in the case management order and asked whether Defendants consented to the extension or had a different proposal that Plaintiffs should consider. Defendants' counsel indicated they would not be able to respond until “Tuesday night” (January 25). If the parties cannot reach agreement, Plaintiffs would like to have this motion heard with the other litigation-related matters on February 1 for the convenience of the Court and counsel, and decided to file the motion instead of waiting for Defendants' response late on January 25. If the parties reach agreement, they will promptly inform chambers.

For the foregoing reasons, Plaintiffs respectfully request that the Court extend all dates in the current case management by 12 weeks. Plaintiffs have attached a proposed order as Exhibit 1, which includes a Third Amended Case Management Order setting forth the new proposed dates. Plaintiffs also have attached a redline as Exhibit 2 to this Motion that shows the changes requested by Plaintiffs to the current case management order.

Chicago, Illinois
Dated: January 24, 2011

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Jeffrey J. Zeiger, hereby certify, under penalty of perjury pursuant to 28 U.S.C. § 1746, that on this 24th day of January 2011, I caused a true and correct copy of the foregoing to be served upon the parties listed below by overnight mail and/or e-mail as reflected below:

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